
10% Early Distribution Tax

A distribution prior to reaching age 59 ½ will result in a 10% penalty tax (over and above the applicable federal and state withholding) on the amount includable as income (taxable portion of distribution), unless the payment is being made for one of the following reasons:

- Separation from service after attaining age 55
- Death of the participant
- Disability of the participant
- Payment is made as an annuity at least annually and over the life expectancy of the taxpayer or the joint lives (or joint life expectancies) of the participant and his/her beneficiary, and there has been no substantial modification in the terms of the annuity (other than due to death or disability) within five(5) years of when such payments began or prior to age 59 ½.
- Medical expenses for you and your beneficiaries or your dependents which exceed 7 ½% of your adjusted gross income for the year.
- Payment is made to an alternate payee under a qualified domestic relations order.

Please Note: You will typically receive your check within two to three (2-3) weeks after the month in which your request is processed. Please plan accordingly.

For Example: If your request is processed on June 15, 2004, it's likely that you won't see your check until July 2004.